

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MIKE)	CASE NO. 93-400-C
LITTLE GAS COMPANY, INC.)	

O R D E R

On December 17, 1993, in Case No. 93-400, the Commission approved the merger of Elzie Neeley Gas Company, Inc. ("Elzie Neeley") and Phelps Gas Company, Inc. ("Phelps") into Mike Little Gas Company, Inc. ("Mike Little") and provided for the adjustment of rates of the merged companies on a quarterly basis in accordance with the provisions of Mike Little's gas cost adjustment ("GCA") clause.

On June 30, 1994, Mike Little filed its GCA to be effective August 1, 1994 until October 31, 1994.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Mike Little's notice proposed revised rates designed to pass on its expected wholesale increase in gas cost to its customers. Since the date of its filing, this Commission has approved revised rates for one of Mike Little's suppliers, Columbia Gas of Kentucky, Inc. ("Columbia"), effective July 20, 1994.¹

¹ Case No. 90-063-L, The Notice of Purchased Gas Adjustment Filing of Columbia Gas of Kentucky, Inc., Order dated July 20, 1994.

Using Columbia's revised IUS rate of \$3.9846 per Mcf produces an expected gas cost ("EGC") for Mike Little of \$4.1119 per Mcf.

2. Mike Little's notice set out no refund adjustment.

3. Mike Little's notice set out a current quarter actual adjustment ("AA") calculated on an individual company basis. Recalculating on a combined system basis produces an AA of 2.34 cents per Mcf to recoup unrecovered gas cost from February, March, and April 1994. The corrected total AA of 3.05 cents per Mcf reflects only the net under-recovery of the combined system. Remaining AAs of the individual companies are set out separately and will be added to the rates of the three system segments as separate components of their rates until the components expire.

4. These adjustments produce a gas cost recovery rate ("GCR") of \$4.1424, 7.19 cents per Mcf more than the prior rates.

5. The rate adjustments in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be effective for gas supplied on and after August 1, 1994.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are effective for gas supplied on and after August 1, 1994.

2. Future AAs shall be calculated using costs and volumes of the combined Mike Little system.

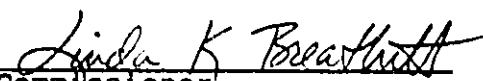
3. Within 30 days of the date of this Order, Mike Little shall file with this Commission its revised tariffs setting out the rates authorized in this Order.

Done at Frankfort, Kentucky, this 21st day of July, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-400-C DATED July 21, 1994.

The following rates and charges are prescribed for the customers in the area served by Mike Little Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES FOR CUSTOMERS FORMERLY SERVED BY MIKE LITTLE GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$2.8211	\$4.1424	\$.0203	\$6.9838
Over 1 Mcf	2.6040	4.1424	.0203	6.7667

RATES FOR CUSTOMERS FORMERLY SERVED BY ELZIE NEELEY GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$3.4984	\$4.1424	\$(.0982)	\$7.5426
Over 1 Mcf	2.4658	4.1424	(.0982)	6.5100

RATES FOR CUSTOMERS FORMERLY SERVED BY PHELPS GAS COMPANY

Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Remaining ACA Rate</u>	<u>Total</u>
First 1 Mcf - Minimum Bill	\$4.3971	\$4.1424	\$(.0228)	\$8.5167
Over 1 Mcf	2.7670	4.1424	(.0228)	6.8866